

**ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.**

This document has been translated from the original Japanese-language document as a guide for non-Japanese investors. In all cases, the Japanese-language original shall take precedence.

## SUMMARY OF FINANCIAL STATEMENTS (Non-Consolidated) for the First Quarter Ending March 31, 2024 (Japanese Standard)



August 4, 2023

Company name : SHIN-NIHON TATEMONO CO., LTD.  
 Stock exchange listing : Tokyo Stock Exchange  
 Code Number : 8893 URL <https://www.kksnt.co.jp/>  
 Representative : Manabu Kondo, President and Chief Executive Officer  
 IR Contact : Takahiro Motegi, Director and Executive Officer, Division Director of Administration Department  
 Tel : (81) 3-5962-0776  
 Scheduled date to file Quarterly Securities Report : August 4, 2023  
 Scheduled date to commence dividend payments : -  
 Preparation of supplementary materials of quarterly financial statement : Yes  
 Holding of quarterly financial results briefing : None

(Amounts are rounded down to the nearest million yen)

### 1. Financial Results for the First Quarter Ending March 31, 2024 (April 1, 2023~ June 30, 2023)

#### (1) Operating Result (cumulative)

(% represent the year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter Ending March 31, 2024	8,157	883.0	1,111	—	1,062	—	722	—
First Quarter Ended March 31, 2023	829	(79.9)	(217)	(142.5)	(263)	(158.1)	(293)	(166.0)

	Earnings per share	Diluted Earnings per Share
	Yen	Yen
First Quarter Ending March 31, 2024	36.33	—
First Quarter Ended March 31, 2023	(14.75)	—

#### (2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First Quarter Ending March 31, 2024	28,039	9,237	32.9
Year Ended March 31, 2023	26,313	9,096	34.6

(Reference) Equity: First Quarter Ending March 31, 2024: 9,237 million yen March 31, 2023: 9,096 million yen

### 2. Dividends

	Dividend per share				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2023	—	0.00	—	30.00	30.00
Year ending Mar. 31, 2024	—				
Year ending Mar. 31, 2024 (Forecast)		0.00	—	30.00	30.00

(Notes) Revisions of the dividend forecast most recently announced: None

### 3. Business Forecasting for the fiscal year ending March 2024 (April 1, 2023~March 31, 2024)

(% represent the year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	23,660	12.1	2,680	33.8	2,430	33.8	1,680	(10.9)	84.41

(Notes) Revisions of the business forecast most recently announced: None

The predictions of the business forecasts for the 2<sup>nd</sup> quarter cumulative period have not been conducted.

#### ※ Notes

- (1) Application of special accounting methods in preparation of quarterly financial statements : No
- (2) Changes in accounting policies, changes in accounting estimates, and restatements.
- ① Changes in accounting policies due to revisions of accounting standards, etc. : No
- ② Changes in accounting policies other than stated in ① : No
- ③ Changes in accounting estimates : No
- ④ Restatements : No
- (3) Number of issued shares (common stock)

- ① Number of issued shares at the end of the period (including treasury shares)

1Q Ending March 31, 2024	19,914,617 shares
Year Ended March 31, 2023	19,914,617 shares

- ② Number of shares of treasury at the end of the period

1Q Ending March 31, 2024	14,176 shares
Year Ended March 31, 2023	13,956 shares

- ③ Average number of shares during the period (cumulative)

1Q Ending March 31, 2024	19,900,603 shares
1Q Ended March 31, 2023	19,901,305 shares

※ Summary of the quarterly financial statements is not subject to quarterly reviews by certified public accountants or audit corporations.

#### ※ Explanation as to appropriate use of business forecasts and other special instructions

•The forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Accordingly, the statements in this document are not the promise intended in respect of the actual results by the company. Actual financial results may differ significantly due to various factors. Regarding the precautions of using the data of financial forecasts and the premises and conditions, please refer to “(3) Explanation of forecast information such as business forecasts” on page 4 of the attachment.

•The supplementary material on financial results will be posted on our company’s website on August 4, 2023.

○ Table of Contents of the Attached Document

1. Qualitative Information on Quarterly Financial Results for the Period under Review .....	2
(1)Explanation of Operating Results .....	2
(2)Explanation of Financial Position.....	3
(3)Explanation of forecast information such as business forecasts .....	4
2. Financial statements and main notes .....	5
(1)Quarterly Balance Sheet .....	5
(2)Quarterly Income Statement .....	7
(3)Notes on quarterly financial statements.....	8
(Notes for the going concern assumption).....	8
(Notes on significant changes in the amount of shareholders' equity) .....	8
(Segment information, etc.) .....	8
(Revenue Recognition) .....	9

# 1. Qualitative Information on Quarterly Financial Results for the Period under Review

## (1) Explanation of Operating Results

During the first quarter of the current fiscal year, the country's economy continued its path toward normalization due to the reclassification of COVID-19 as a Class 5 infectious disease. The economic recovery was driven by a rebounding demand in the service sector, particularly the inbound demand for lodging, food and beverage, and other services. In addition, while the expected rise in wages resulting from the Shuntō (spring wage offensive) is poised to further contribute to future economic recovery, the persistent increase in resource and raw material prices has led to a broader rise in overall prices. Consequently, households are showing a growing inclination to save money, raising concerns about potential declines in consumer sentiment and purchasing power. It's imperative to closely monitor these economic developments in the coming period.

In the real estate industry, to which our company belongs, the demand for new units remains strong in the newly-built condominium market despite the continuous price increase for newly-built condominiums in the Greater Tokyo Area, driven by higher costs of imported materials and energy. Regarding the rental office market, even though there has been a significant increase in new office space supply, there's been active tenant relocation, keeping both vacancy rates and rents relatively stable. In the logistics facility market, while the supply of logistics facilities has increased, leading to a rise in vacancy rates, there's a sustained demand for efficient logistics solutions. It is mainly due to the "2024 Problem," which regulates the maximum overtime hours for truck drivers. Consequently, the need for new logistics facilities is expected to remain high.

Under such a business environment, the Company executed the plans in the Asset Solution Business by successfully providing land for condominium development to other developers and delivering logistics facilities as intended. Additionally, in the Condominium Unit Sales Business, the Company adhered to the scheduled progress, ensuring the collective sales of investment properties with previously established sale agreements proceeded according to plan.

As a result, net sales were 8,157 million yen (increase of 7,327 million yen year-on-year), operating income was 1,111 million yen (increase of 1,328 million yen year-on-year), ordinary income was 1,062 million yen (increase of 1,326 million yen year-on-year), and quarterly net income was 722 million yen (increase of 1,016 million yen year-on-year), achieving an increase in both sales and income.

	Previous 1 <sup>st</sup> quarter cumulative period		Current 1 <sup>st</sup> quarter cumulative period	
	Amount	Net Sales (millions of yen)	Amount	Net Sales (millions of yen)
Asset Solution Business	3 projects	807	4 projects	5,482
Condominium Unit Sales Business	—	6	82 units	2,657
Asset-Holding Business	—	16	—	17
Others	—	0	—	0
Total Net Sales	—	829	—	8,157
Operating income (loss)	—	(217)	—	1,111

Results by segment are as follows.

(Asset Solution Business)

In the first quarter of this fiscal year, the Company sold the land for condominium development to other developers in the 23 wards of Tokyo and Yokohama City, Kanagawa Prefecture, while also meeting our delivery commitments for the Iruma Project, a distribution facility located in Iruma City, Saitama Prefecture as originally planned. As a result, net sales reached 5,482 million yen (increase of 4,675 million yen year-on-year), and operating income achieved 1,066 million yen (increase of 1,029 million yen year-on-year).

(Condominium Unit Sales Business)

During the first quarter of this fiscal year, the Company executed its planned strategy successfully, achieving the collective sales of investment properties in Tokyo's 23 wards, including properties like "Renaissance Court Higashi-Nakano (19 units)" in Nakano Ward, Tokyo, and "Renaissance Court Kamikitazawa Front (19 units)" in Setagaya Ward, Tokyo. As a result, net sales reached 2,657 million yen (increase of 2,651 million yen year-on-year), and operating income achieved 275 million yen (increase of 332 million yen year-on-year).

(Asset-Holding Business)

In the first quarter of this fiscal year, the Company maintained its ownership and operation of two rental properties, which yielded net sales of 17 million yen (increase of 1 million yen year-on-year) and remained stable at 5 million yen (decrease of 0 million yen year-on-year).

(Others)

During the first quarter of the current fiscal year, Net sales for the first quarter were 0 million yen, and operating income was 0 million yen.

(2) Explanation of Financial Position

Status of Assets, Liabilities, and Net assets

(Assets)

Total assets increased by 1,726 million yen (an increase of 6.6% compared to the previous period) to 28,039 million yen at the end of the first quarter of the current fiscal year. Current assets increased by 1,910 million yen (an increase of 7.8%) to 26,476 million yen, and noncurrent assets decreased by 183 million yen (a decrease of 10.5%) to 1,560 million yen.

The increase in current assets was primarily attributed to a significant rise of 2,668 million yen in cash and deposits (an increase of 38.6%). Conversely, real estate for sale in process decreased by 782 million yen (a decrease of 5.6%) due to the smooth progression of construction activities and timely property deliveries.

(Liabilities)

Total liabilities at the end of the first quarter increased by 1,585 million yen ((an increase of 9.2% compared

to the previous period) to 18,802 million yen. Current liabilities increased by 1,689 million yen (an increase of 20.1%) to 10,105 million yen, and long-term liabilities decreased by 104 million yen (decrease of 1.2%) to 8,696 million yen.

The principal factors contributing to the rise in current liabilities were a substantial increase of 1,640 million yen in accounts payable for construction work (an increase of 418.9%) due to progress in building construction and a 596 million yen increase in short-term loans payable (an increase of 27.2%) due to the acquisition of new properties.

Noncurrent liabilities decreased primarily due to a 67 million yen reduction in long-term loans payable (a decrease of 0.8%) and a 25 million yen decrease in bonds payable (decrease of 16.7%).

(Net assets)

Total net assets increased by 141 million yen (an increase of 1.6% compared to the previous period) to 9,237 million yen at the end of the first quarter of the current fiscal year. The main factors were an increase of 722 million yen due to quarterly net income and a decrease of 597 million yen due to dividends from surplus.

(3) Explanation of forecast information such as business forecasts

For the year ending March 31, 2024, there are no changes to the forecasts announced on May 15, 2023.

## 2. Financial statements and main notes

### (1) Quarterly Balance Sheet

(Thousands of yen)

	Previous Fiscal Year (March 31, 2023)	1 <sup>st</sup> Quarter Ending March 31, 2024 (June 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	6,920,669	9,589,002
Real estate for sale	3,212,035	3,297,524
Real estate for sale in process	13,895,131	13,112,845
Raw materials and supplies	1,130	1,501
Advance payments—trade	172,100	142,100
Prepaid expenses	30,289	36,779
Others	334,483	296,773
Total current assets	24,565,840	26,476,527
Noncurrent assets		
Property, plant and equipment		
Buildings	622,831	622,831
Accumulated depreciation	(116,149)	(121,369)
Buildings, net	506,682	501,462
Structures	14,192	14,192
Accumulated depreciation	(7,545)	(7,899)
Structures, net	6,646	6,292
Tools, furniture and fixtures	53,562	64,766
Accumulated depreciation	(39,582)	(41,012)
Tools, furniture and fixtures, net	13,980	23,753
Land	79,594	79,594
Leased assets	18,506	18,506
Accumulated depreciation	(18,347)	(18,387)
Leased assets, net	158	118
Total property, plant and equipment	607,063	611,221
Intangible assets		
Leasehold right	1,465	1,465
Software	282	1,994
Leased assets	4,771	3,839
Total intangible assets	6,518	7,299
Investments and other assets		
Investment securities	690,102	672,642
Stocks of subsidiaries and affiliates	20,389	20,389
Investments in capital	31,630	31,630
Claims provable in bankruptcy, claims provable in rehabilitation and others	6,937	6,851
Long-term prepaid expenses	5,169	5,312
Guarantee deposits	76,376	80,251
Deferred tax assets	287,116	111,907
Others	27,770	27,770
Allowance for doubtful accounts	(14,807)	(14,721)
Total investments and other assets	1,130,684	942,033
Total noncurrent assets	1,744,266	1,560,553
Deferred assets		
Bond issuance cost	2,925	2,726
Total deferred assets	2,925	2,726
<b>Total assets</b>	<b>26,313,031</b>	<b>28,039,807</b>

	(Thousands of yen)	
	Previous Fiscal Year	1 <sup>st</sup> Quarter Ending
	(March 31, 2023)	March 31, 2024 (June 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	391,676	2,032,435
Short-term loans payable	2,194,000	2,790,000
Current portion of long-term loans payable	4,315,793	3,690,793
Current portion of bonds	50,000	50,000
Lease obligations	4,196	3,749
Accounts payable—other	10,027	75,198
Accrued expenses	82,662	34,753
Income taxes payable	175,034	175,187
Advances received	1,125,217	1,103,375
Deposits received	10,292	100,587
Provision for bonuses	56,872	19,463
Others	269	29,943
Total current liabilities	8,416,042	10,105,487
Noncurrent liabilities		
Bonds payable	150,000	125,000
Long-term loans payable	8,455,973	8,388,084
Lease obligations	1,127	281
Asset retirement obligation	26,212	26,271
Provision for retirement benefits	51,926	53,437
Provision for directors' retirement benefits	79,766	83,465
Others	35,627	19,993
Total noncurrent liabilities	8,800,633	8,696,533
<b>Total liabilities</b>	<b>17,216,676</b>	<b>18,802,021</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	854,500	854,500
Capital surplus		
Legal capital surplus	40,983	40,983
Total capital surplus	40,983	40,983
Retained earnings		
Legal retained earnings	172,641	172,641
Other retained earnings		
Retained earnings brought forward	7,908,265	8,034,169
Total retained earnings	8,080,907	8,206,811
Treasury stock	(4,502)	(4,614)
Total shareholders' equity	8,971,887	9,097,680
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	124,467	140,105
Total valuation and translation adjustments	124,467	140,105
<b>Total net assets</b>	<b>9,096,355</b>	<b>9,237,786</b>
<b>Total liabilities and net assets</b>	<b>26,313,031</b>	<b>28,039,807</b>



## (2) Quarterly Income Statement

### First Quarter Cumulative Period

(Thousands of yen)

	1 <sup>st</sup> Quarter Ended March 31, 2023 (April 1, 2022 to June 30, 2022)	1 <sup>st</sup> Quarter Ending March 31, 2024 (April 1, 2023 to June 30, 2023)
Net sales		
Net sales from the Asset solution business	807,117	5,482,184
Net sales from the condominium unit sales business	6,320	2,657,400
Net sales from the asset-holding business	16,093	17,613
Others	292	310
Total net sales	829,823	8,157,508
Cost of sales		
Cost of sales of the Asset solution business	713,016	4,265,210
Cost of sales of the condominium unit sales business	1,397	2,238,868
Cost of sales of the asset-holding business	8,899	9,580
Total cost of sales	723,312	6,513,659
Gross profit	106,510	1,643,848
Selling, general and administrative expenses	323,522	532,399
Operating income (loss)	(217,012)	1,111,449
Non-operating income		
Interest income	383	1,414
Dividends income	490	491
Land and house rent received	16	10,990
Others	154	871
Total non-operating income	1,044	13,766
Non-operating expenses		
Interest expenses	47,282	61,919
Others	377	501
Total non-operating expenses	47,660	62,420
Ordinary income (loss)	(263,627)	1,062,795
Extraordinary income		
Gain on sales of investment securities	-	12,727
Total extraordinary income	-	12,727
Income (loss) before income taxes	(263,627)	1,050,068
Income tax-current	208	158,836
Income tax-deferred	29,733	168,307
Total income taxes	29,941	327,144
Net income (loss)	(293,569)	722,923

(3) Notes on quarterly financial statements

(Notes for the going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

I. Previous cumulative first quarter (from April 1, 2022, to June 30, 2022)

Information on sales and profit /loss by reportable segments

(Thousands of yen)

	Reportable Segment				Others (Note) 1	Total	Adjustment (Note) 2	Recorded amount in quarterly income statement (Note)3
	Asset solution business	Condominium unit sales business	Asset-holding business	Total				
Net sales								
Goods transferred at a point in time	807,057	—	15	807,072	292	807,364	—	807,364
Goods transferred over time	—	—	—	—	—	—	—	—
Revenue from contracts with customers	807,057	—	15	807,072	292	807,364	—	807,364
Other income (Note 4)	60	6,320	16,077	22,458	—	22,458	—	22,458
Sales to external customers	807,117	6,320	16,093	829,530	292	829,823	—	829,823
Intersegment sales	—	—	—	—	—	—	—	—
Total	807,117	6,320	16,093	829,530	292	829,823	—	829,823
Segment margin	36,198	(56,384)	5,225	(14,959)	292	(14,667)	(202,344)	(217,012)

(Notes)

1. "Other" is a business segment not included in the reportable segment, and includes construction contracting business, brokerage business, consulting business, etc.
2. The segment margin adjustment of -202,344 thousand yen is corporate expenses that are not allocated to each reportable segment and are mainly general administrative expenses that do not belong to any reportable segment.
3. The segment margin is adjusted with operating income in the quarterly income statement.
4. "Other income" includes income based on the accounting standard for lease transactions.

## II. Current cumulative first quarter (from April 1, 2023, to June 30, 2023)

### 1. Information on sales and profit /loss by reportable segments

(Thousands of yen)

	Reportable Segment				Others (Note) 1	Total	Adjustment (Note) 2	Recorded amount in quarterly income statement (Note)3
	Asset solution business	Condominium unit sales business	Asset-holding business	Total				
Net sales								
Goods transferred at a point in time	5,482,184	2,636,119	12	8,118,316	310	8,118,626	—	8,118,626
Goods transferred over time	—	—	—	—	—	—	—	—
Revenue from contracts with customers	5,482,184	2,636,119	12	8,118,316	310	8,118,626	—	8,118,626
Other income (Note 4)	—	21,280	17,600	38,881	—	38,881	—	38,881
Sales to external customers	5,482,184	2,657,400	17,613	8,157,198	310	8,157,508	—	8,157,508
Intersegment sales	—	—	—	—	—	—	—	—
Total	5,482,184	2,657,400	17,613	8,157,198	310	8,157,508	—	8,157,508
Segment margin	1,066,195	275,670	5,184	1,347,050	235	1,347,285	(235,836)	1,111,449

(Notes)

1. “Other” is a business segment not included in the reportable segment, and includes construction contracting business, brokerage business, consulting business, etc.
2. The segment margin adjustment of -235,836 thousand yen is corporate expenses that are not allocated to each reportable segment and are mainly general administrative expenses that do not belong to any reportable segment.
3. The segment margin is adjusted with operating income in the quarterly income statement.
4. “Other income” includes income based on the accounting standard for lease transactions.

#### (Revenue Recognition)

Information on the revenue breakdown of contracts with customers has stated in the “Notes (Segment Information, etc.)” section.